

Message Text

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PAGE 01 GABORO 01519 061701Z

67

ACTION AF-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-02 RSC-01 PRS-01 SP-02 SS-15

USIA-15 AID-05 COME-00 EB-06 FRB-01 TRSE-00 XMB-04

OPIC-06 CIEP-02 LAB-03 SIL-01 OMB-01 IO-10 IGA-01

/106 W

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R 061435Z NOV 74

FM AMEMBASSY GABORONE

TO SECSTATE WSASHDC 5965

INFO AMEMBASSY MASERU

AMEMBASSY MBABANE

AMEMBASSY NAIROBI

UNCLAS GABORONE 1519

E. O. 11652: N/A

TAGS: ECEM, EINV, BEXP, BTIO, BC

SUBJ: MSL SUSPENDS SODA ASH PROJECT

REF: GABORONE A-57

DEPT PASS COMMERCE, OPIC AND AID

1. BOTSWANA DAILY NEWS OF NOV. 6 FRONT PAGES A STORY HEADLINED "SODA ASH PLAN SHELVED". THE STORY REPORTS THAT THE BOTSWANA ROAN SELECT TRUST (BRST) HAS SUSPENDED ITS PROGRAM OF DEVELOPING

W Q RALT PROJECT AT THE SUA PAN THROUGH ITS SUBSIDIARY COMPANY, MAKGADIKGADI SODA LTD. (MSL). A COMPANY SPOKESMAN IS QUOTED AS SAYING THAT "FURTHER EXPENDITURES ON THE PROJECT CANNOT BE JUSTIFIED AND CONSEQUENTLY THE PROSPECTING RIGHTS HAS BEEN ALLOWED TO LAPSE, BUT DISCUSSIONS WITH THE GOVERNMENT ARE CONTINUING."

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PAGE 02 GABORO 01519 061701Z

WM A MAJOR CAUSE FOR THE SUSPENSION, ACCORDING TO THE STORY, IS

THE REQUIREMENT TO EXPAND SUBSTANTIAL ADDITIONAL SUMS OF MONEY ON THE SELEBI-PIKWE NICKEL AND COPPER PROJECT OPERATED BY BAMANGWATO CONCESSIONS LTD. (BCL) IN WHICH BRST HOLDS 85 PER CENT INTEREST.

3. THE STORY QUOTE A SPOKESMAN FROM THE GOB MINISTRY OF MINERAL RESOURCES AND WATER AFFAIRS AS SAYING THAT "THE GOVERNMENT REGRETS THE DECISION BY THE COMPANY TO ALLOW THE LICENSE TO LAPSE WHILE ACKNOWLEDGING THE FINANCIAL PROBLEMS OF THE PARENT COMPANY ARISING FROM THE CONTINUING SERIOUS TECHNICAL PROBLEMS AT SELEBI-PIKWE."

4. THE SPOKESMAN ALSO NOTED THAT "THE GOVERNMENT CONSIDERS THE PROJECT MOST ATTRACTIVE PARTICULARLY IN VIEW OF CHANGES IN THE WORLD SODA ASH MARKET. THE LAPSING OF THE LICENSE WILL ALLOW THE GOVERNMENT TO PURSUE AGGRESSIVELY CERTAIN AVENUES WHICH APPEAR PROMISING IN THE EXPECTATION THAT OTHER COMPANIES WILL BE PREPARED TO GO AHEAD WITH SUA PAN DEVELOPMENT." ACCORDING A ADB

STORY INFRASTRUCTURE PLANNING IS PROCEEDING ON THE ASSUMPTION THAT THE ORIGINAL PROJECT TIMETABLE WILL NOT BE ALTERED TO ANY GREAT DEGREE.

5. COMMENT: EMBOFF IN CONVERSATION WITH OFFICERS IN MINISTRY OF MINERAL RESOURCES AND WATER AFFAIRS HAS BEEN TOLD THAT LETTERS ARE BEING SENT OFF TO ALL CORPORATIONS WHO HAVE INDICATED AN INTEREST IN THE SUA PAN PROJECT OR IN BOTSWANA MINERAL CONCESSIONS IN GENERAL. U.S. STEEL SOUTH AFRICAN REPRESENTATIVE VENTER WHO WAS IN GABORONE ON OTHER MATTERS NOV. 6 INDICATED INTEREST BY HIS COMPANY IN INVESTIGATING THIS NEW DEVELOPMENT POSSIBILITY. THOMSEN

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